GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy, I&I Department – Permission to APGENCO for execution of Polavaram Hydro Electric Project (12x80 MW) by APGENCO – Permission accorded - Orders - Issued.

ENERGY, INFRASTRUCTURE & INVESTMENT (POWER.I) DEPARTMENT

G.O.MS.No. 34 Dated: 06-12-2017
Read:

The Managing Director, APGENCO, Gunadala, Lr.No. MD/CE(HPC& HP)/SE-HY-I)/470/F.Polavaram/D.No.74/2017, dated 08.11.2017, D.No.78, dt.15.11.2017 and D.No.81, dt.23.11.2017.

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ORDER:

The Managing Director, Andhra Pradesh Power Generation Corporation Limited (APGENCO), in references read above has sought for approval of the Government for establishing Hydel Power Project at Polavaram since Hydel power can quickly ramp up/down to manage sudden variations in wind and solar power generations and can generate large reactive power in both lead / lag directions, which is key to maintain voltage stability of the grid. Hydro power is the cleanest, greenest, Bulk non-fossil power which has lowest carbon footprint and due to its quick ramping ability, it is best suited for grid stability and renewable grid integration.

2) After careful examination Government hereby permit MD, APGENCO to go ahead with the execution of Polavaram Hydro Electric Project (12x80 MW), and award the project as recommended by the APGENCO Board, subject to the following conditions:

i. APGENCO shall appoint a Project Management Agency (PMA) and also a very efficient internal management team which should review the project regularly and own the responsibility of completing the Project in time without any cost and time overruns.

ii. APGENCO shall bear the additional cost if any due to delay in the Project completion and it shall not pass it on to the DISCOMs.

iii. APGENCO shall reduce the O&M cost norm of 2% to 1.5% per annum so as to reduce the tariff further.

iv. APGENCO shall make efforts to avail the 'Interest Subvention Scheme' being formulated by Government of India by completing the project within the scheduled period so as to reduce the tariff further.

v. APGENCO shall negotiate with REC and other financial institutions to avail loan at most competitive interest rates so as to reduce the additional interest burden & meet the equity requirement from internal resources.

vi. APGENCO shall coordinate with Irrigation Department to ensure that all the fronts are made available to the agency for speedy completion of the project.

vii. APGENCO shall obtain approval of APERC for the PPA signed with APDISCOMs before commissioning of the Project.

3) The MD, APGENCO shall take further necessary action in the matter.

P.T.O

4) This orders issued with the concurrence of Finance Department vide U.O.Note No.45027/469/2017, Finance (Exp.) Department, dated 21.11.2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To:
The MD, APGENCO, Gunadala, Vijayawada.

Copy to:
The G.A (Cabinet) Dept.,
The Finance (Exp.) Dept.,
The Water Resources Dept.,
The P.S. to Prl. Secretary to C.M.
The P.S. to Chief Secretary.
The P.S. to Minister for Energy,
The P.S to Prl. Secretary, E,I&I Dept.
The P.A to OSD to Energy, I&I Dept.,
SC/SF (w.r.t. C.No.263/Power.I/2016)

// Forwarded :: By Order //

SECTION OFFICER